



SUMMARY

MINUTES OF THE BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

SAUNDRA McDANIEL, CLERK OF THE BOARD

FRIDAY, JULY 9, 2010

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at District Headquarters, 21865 Copley Drive, Diamond Bar, California. Members present:

William A. Burke, Ed.D., Chairman
Speaker of the Assembly Appointee

Mayor Dennis R. Yates, Vice Chairman
Cities of San Bernardino County

Supervisor Michael D. Antonovich
County of Los Angeles

Supervisor Marion Ashley
County of Riverside

Councilmember Michael A. Cacciotti
Cities of Los Angeles County – Eastern Region

Supervisor Bill Campbell
County of Orange

Supervisor Josie Gonzales
County of San Bernardino

Dr. Joseph K. Lyou
Governor's Appointee

Councilmember Judith Mitchell
Cities of Los Angeles County – Western Region

Councilmember Jan Perry (arrived at 9:25 a.m.)
City of Los Angeles

Mayor Miguel A. Pulido (left at 10:40 a.m.)
Cities of Orange County

Members Absent:

Ms. Jane W. Carney
Senate Rules Committee Appointee

Mayor Ronald O. Loveridge
Cities of Riverside County

Cleaning the air that we breathe...

CALL TO ORDER: Chairman Burke called the meeting to order at 9:10 a.m.

- Pledge of Allegiance: Led by Mayor Pulido.
- Opening Comments

Councilwoman Mitchell. Announced that she attended a conference coordinated by Future Ports called Clearing the Air; the topics covered included the efforts the Ports of Los Angeles and Long Beach are making to clean up their operations. The conference made it clear that there is now good collaboration between the Port laborers, management, the transportation industry, and environmentalists to improve the conditions there, which left her with an optimistic outlook for the future of the Ports.

Dr. Barry R. Wallerstein, Executive Officer. Informed the Board that the lawnmower exchange program has been very successful this summer, and due to the increased supply and demand staff scheduled additional events for the public to have the opportunity to exchange their mowers. He added that staff will bring an item before the Board at the September 10, 2010 or October 1, 2010 meeting that will seek to carry over the funding into the current FY for the additional events.

CONSENT CALENDAR

1. Minutes of June 4, 2010 Board Meeting and Minutes of June 14, 2010 Special Board Meeting
2. Set Public Hearings September 10, 2010 to Consider Amendments and/or Adoption to AQMD Rules and Regulations
 - (A.) Amend Rule 1150.1 - Control of Gaseous Emissions from Municipal Solid Waste Landfills
 - (B.) Adopt Proposed Rule 1420.1 – Emissions Standard for Lead From Large Lead-acid Battery Recycling Facilities
 - (C.) Amend Rule 1401 - New Source Review of Toxic Air Contaminants and Preliminary Impact Assessment for Facilities Subject to Rule 1402 - Control of Toxic Air Contaminants From Existing Sources

Budget/Fiscal Impact

3. Amend Contracts for Student Co-op Program
4. Issue RFP for Signature AQMD Video
5. Execute Contracts to Develop Prototype Natural-Gas-Fired, Fan-Type Central Furnaces with Reduced NOx Emissions
6. Adopt Resolution Accepting Terms and Conditions for 2010 Multidistrict Award under On-Road Heavy-Duty Vehicle Voucher Incentive Program (Year 12) and Approve Match Funds to CARB Funds
7. Execute Contract for FY 2009-10 "Year 12" Carl Moyer Memorial Air Quality Standards Attainment Program
8. Recognize Revenue and Appropriate Funds for PM2.5, NATTS and Enhanced Particulate Monitoring Programs, Recognize Revenue and Reallocate Unspent Funds for PAMS and U.S. EPA Community-Scale Air Toxics Monitoring Programs, and Issue Purchase Order and RFQs
9. Issue RFP for Installation and Maintenance of Air Filtration Systems in Wilmington Area Schools
10. Amend Contract to Develop and Demonstrate Fleet of Medium Duty Plug-In Hybrid Electric Vehicles
11. Execute and Amend Contracts for Operation and Maintenance of Hydrogen Fueling Stations
12. Award Funding from MSRC for CNG School Buses to Private School Bus Transportation Provider
13. Issue RFP to Conduct In-Use Emissions Testing and Demonstrate Retrofit Technology for Control of On-Road Heavy-Duty Engines

14. Authorize Purchase of Off-site Storage and Destruction Services
15. Authorize Purchase of PeopleSoft and Oracle Software Support
16. Authorize Purchase of Electronic Document Management System Upgrade and Migration
17. Appropriate Funds and Authorize Amending of Existing Contract with Special Outside Counsel to Assist with Litigation Regarding SB 827 and AB 1318 and Internal Bank
18. Approve Contract Modifications and Awards under FYs 2006-07, 2008-09 and 2009-10 AB 2766 Discretionary Fund Work Programs and Fund Transfer for Miscellaneous Costs in FY 2010-11

Information Only/Receive and File

19. Legislative & Public Affairs Report
20. Hearing Board Report
21. Civil Filings and Civil Penalties Report
22. Rule and Control Measure Forecast
23. Lead Agency Projects and Environmental Documents Received by AQMD
24. Enter Into Mitigation Agreement with Department of Toxic Substances Control Regarding Use of Emission Credits for CEQA Mitigation
25. Interim Report on Technology Assessment for Biogas Engines Subject to Rule 1110.2

26. Implementation Assessment Report for Rules 1146 - Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters and 1146.1 - Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters
27. Proposed Procedures for Mandated Brown Act Cost Reimbursement by State of California Controller's Office
28. Report of RFPs and RFQs Scheduled for Release in July
29. Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2010-11

Dr. Lyou announced his abstention on Item No. 17. Supervisor Ashley announced his abstention on Item No. 17 due to a campaign contribution from CPV Sentinel. Councilwoman Mitchell announced her abstention on Item No. 15 due to a financial interest in Oracle.

Agenda Item No. 10 was withheld for comment and discussion.

MOVED BY LYOU, SECONDED BY CACCIOTTI, AGENDA ITEMS 1 THROUGH 9 AND 11 THROUGH 29 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 10-18, RECOGNIZING AND ACCEPTING THE TERMS AND CONDITIONS OF THE 2010 MULTIDISTRICT GRANT AWARD, BY THE FOLLOWING VOTE:

AYES: Antonovich, Ashley (*except Item #17*), Burke, Cacciotti, Campbell, Gonzales, Lyou (*except Item #17*), Mitchell (*except Item #15*), Pulido and Yates.

NOES: None.

ABSTAIN: Ashley and Lyou (*Item #17 only*), Mitchell (*Item #15 only*).

ABSENT: Carney, Loveridge and Perry.

30. Items Deferred from Consent Calendar

10. Amend Contract to Develop and Demonstrate Fleet of Medium Duty Plug-In Hybrid Electric Vehicles

In response to Supervisor Campbell's inquiry into the status of the demonstration fleet, Dr. Matt Miyasato, Assistant DEO/Science and Technology Advancement, explained that the technology providers have developed prototypes for the vehicles and are moving forward with the process of integrating the packs into the plug-in bucket trucks.

Dr. Wallerstein added that the successful completion of this project would open the technology to a broad market. Therefore, while initial demonstration vehicles are expensive, the application of it would have a great impact on reducing emissions from this category of vehicles. Also of note, is that these vehicles would come from American manufacturers.

In response to Supervisor Campbell's inquiry into the size of the vehicles, Dr. Miyasato replied that they are class four and five utility bucket trucks on a Ford F550 chassis.

MOVED BY CAMPBELL, SECONDED BY ASHLEY,
AGENDA ITEM 10 APPROVED AS
RECOMMENDED BY STAFF, BY THE FOLLOWING
VOTE:

AYES: Antonovich, Ashley, Burke, Cacciotti,
Campbell, Gonzales, Lyou, Mitchell,
Pulido and Yates.

NOES: None.

ABSENT: Carney, Loveridge and Perry.

In addition, the following individual addressed the Board on Agenda Item No. 25, Interim Report on Technology Assessment for Biogas Engines Subject to Rule 1110.2.

FRANK CAPONI, Los Angeles County Sanitation District

Expressed concern regarding the cost effectiveness of the Rule and whether or not the limits can be achieved; and expressed their fear that this Rule would require the shutting down of engines, which is not in-line with the need for renewable energy in California.

(Councilwoman Perry arrived at 9:25 a.m.)

BOARD CALENDAR

31. Administrative Committee
32. Legislative Committee
33. Mobile Source Committee
34. Stationary Source Committee
35. Technology Committee
36. Mobile Source Air Pollution Reduction Review Committee
37. California Air Resources Board Monthly Report

MOVED BY LYOU, SECONDED BY ASHLEY, THE BOARD APPROVED AGENDA ITEMS 31 THROUGH 37 AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE REPORTS, AND ADOPTING THE POSITIONS ON LEGISLATION AS SET FORTH BELOW, BY THE FOLLOWING VOTE:

AYES: Antonovich, Ashley, Burke, Cacciotti, Campbell, Gonzales, Lyou, Mitchell, Perry, Pulido and Yates.

NOES: None.

ABSENT: Carney and Loveridge.

Bill/Title

Recommended Position

S. 3373 (Boxer) Air and Health
Quality Empowerment Zone
Designation Act of 2010

Approved Proposed
Amendments

H.R. 5296 (McNerney) Air and
Health Quality Empowerment Zone
Designation Act of 2010

Approve Proposed
Amendments

Proposal for AQMD to Introduce
Legislation Regarding Intellectual
Property Rights

Approve Proposed
Language

PUBLIC HEARINGS

38. Amend Rule 1110.2 - Emissions from Gaseous- and Liquid-Fueled Engines

Dr. Laki Tisopulos, Assistant DEO/Planning, Rule Development and Area Sources, explained that the minor amendment to this Rule would allow the County of Riverside to operate two diesel engines at the Santa Rosa Peak, which has no access to natural gas and power. Staff waived an oral report on this item.

The public hearing was opened and, there being no requests from the public to comment on this item, the public hearing was closed.

Written Comments Submitted By:

Hans Kernkamp, Riverside County Waste Management Department

MOVED BY YATES, SECONDED BY CACCIOTTI,
AND UNANIMOUSLY CARRIED (Absent: Carney
and Loveridge), AGENDA ITEM 38 APPROVED,
ADOPTING RESOLUTION NO. 10-19 CERTIFYING
THE FINAL SUBSEQUENT ENVIRONMENTAL
ASSESSMENT AND AMENDING RULE 1110.2, AS
RECOMMENDED BY STAFF.

39. Adopt SIP Revision to Implement AB 1318 (2009, V.M. Perez), Health and Safety Code 40440.14

Supervisor Ashley left the meeting after announcing his recusal on Agenda Item No. 39 because of campaign contributions from CPV Sentinel, LLC.

Mohsen Nazemi, DEO/Engineering and Compliance, gave the staff presentation. An errata sheet containing modifications to Table B of the CPV Sentinel Energy Project AB 1318 Tracking System was distributed to Board members and copies made available to the public.

The public hearing was opened and the following individuals addressed the Board on Agenda Item 39.

GREG CERVANTES, Office of Assemblyman Manuel Perez

Explained that Assemblyman Perez authored AB 1318 because of the tremendous need for energy in the region, and stressed the importance of the project for economic growth and job opportunities in the Coachella Valley. He added that the Bill faced a challenging journey through the legislative process, and he urged the Board to vote to move forward with the project. (Submitted Written Comments)

MARISSA GARCIA, MAYA GOLDEN-KRASNER, DARRYL MOLINA, and JOSE NERI, Communities for a Better Environment

Expressed concern with the lack of a proper environmental review of the project; stressed the importance of following proper processes to protect public health; and noted that the Sentinel power plant would further degrade air quality in the Basin, a region already battling pollution from a variety of sources.

General Counsel Kurt Wiese responded that the California Energy Commission did conduct a full environmental analysis of the Sentinel project; therefore, it is not accurate to say that the project avoided CEQA requirements.

Dr. Wallerstein added that there is ongoing litigation surrounding these issues.

YVONNE PARKS, Mayor of the City of Desert Hot Springs

Expressed her community's support for the CPV Sentinel project, which is financially and environmentally important to the Coachella Valley as evidenced by the low incomes and high unemployment rates that plague her City. She detailed the economic benefit explaining that the construction would create 350 union construction jobs with a \$40 million payroll; the facility will also create 400 indirect jobs with another \$15 million in payroll and the project will generate \$2.6 million in new business taxes, \$25 million in sales tax, and \$6.4 million in annual property taxes. She added that the City Council of Desert Hot Springs unanimously passed a resolution supporting AB 1318 and the CPV Sentinel project.

MICHELLE DEARMOND, Office of Riverside County Supervisor John Benoit

Stressed the importance of an efficient power plant in the community to generate good paying jobs and revenue that is currently critical to Eastern Riverside County. (Submitted Written Comments)

ROBERT C. FROST, Riverside County IBEW

Explained that the local unemployed construction workers have been waiting and depending on the moving forward of this facility which will not only provide jobs for them, but will help create opportunities for students to enter into apprenticeship programs and obtain future employment at the facility. He argued that air quality may actually benefit because this plant will allow for older, more polluting facilities to be shut down and retrofitted.

ANDY WELCH, Competitive Power Ventures

Urged the Board to approve the source specific revision to the SIP, adding that the location of the CPV Sentinel Energy project near the City of Desert Hot Springs is ideal because it is located outside of the South Coast Air Basin and, therefore, will not exacerbate the existing air quality conditions within the South Coast. He added that the facility is designed to work with renewable energy sources by providing back-up power for energy when needed, and thus supports California's mandate for greater reliance on renewable energy sources. He further added that the project is subject to review and approval by the California Energy Commission and underwent a full CEQA analysis. (Submitted Written Comments)

MIKE CARROLL, Latham and Watkins on behalf of Competitive Power Ventures

Explained that the California Energy Commission process fully satisfies CEQA requirements and includes a Final Staff Assessment that is equivalent to an EIR. Their report found that the project poses no significant environmental impacts.

There being no further public testimony on this item, the public hearing was closed.

Written Comments Submitted By:

Senator Bill Emmerson, 37th Senate District, California State Senate
Lyndon Callerdine, Palm Springs Economic Development Corporation
Mayor Kathleen DeRosa, Cathedral City
Mayor Stephen Pougnet, City of Palm Springs

Dr. Lyou commented that he would have liked to have heard testimony regarding whether the Board's proposed decision is compliant with federal law. He expressed concern regarding the use of the term "surplus", and ensuring that the District was indeed complying with that definition when utilizing surplus credits. In response to some of the public comments, he clarified that there are simply different EIRs for different projects and different agencies.

Dr. Wallerstein commented that staff has been in ongoing discussions with U.S. EPA staff throughout the process of implementing AB 1318, but they will not rule on the item until it is formally submitted. Staff does believe that the District has complied with federal law, but ultimately U.S. EPA will be making the final determination.

Mayor Pulido clarified that by supporting this item, the Board is simply submitting this proposal to U.S. EPA for them to issue a final ruling on the matter. He added that he recognizes the importance of community members voicing their concerns and opinions due to the large nature of the project, but the power plant will play a key role in that region and will ultimately encourage more alternative energy.

MOVED BY PULIDO, SECONDED BY GONZALES, AGENDA ITEM 39 APPROVED, ADOPTING RESOLUTION NO. 10-20, REVISING THE SIP FOR THE AQMD IN THE STATE OF CALIFORNIA TO INCLUDE OFFSET REQUIREMENTS FOR THE PROPOSED CPV SENTINEL POWER PLANT TO BE LOCATED IN DESERT HOT SPRINGS, CALIFORNIA, INCLUDING CPV SENTINEL AB1318 OFFSET TRACKING SYSTEM, AND CERTIFYING A CEQA EXEMPTION, AS RECOMMENDED BY STAFF, WITH THE MODIFICATIONS SET FORTH IN THE ERRATA SHEET AND NOTED BELOW, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Cacciotti, Campbell, Gonzales, Mitchell, Perry, Pulido and Yates.

NOES: Lyou.

ABSENT: Ashley, Carney and Loveridge.

MODIFICATIONS:

Pages 8 and 11 of Table B of the "CPV Sentinel Energy Project AB 1318 Tracking System" modified as follows.

Table B - SOx Reductions from Sources Which Ceased Operation

Company Name	Location	Equipment Description	Emission Credits (lb/year)
AAA GLASS CORP	LOS ANGELES	GLASS MELTING FURNACE	2,217
AAA GLASS CORP	LOS ANGELES	GLASS MELTING FURNACE	2,659
AES ALAMITOS, LLC	LONG BEACH	TURBINE ENGINE - NATURAL GAS/OIL	18
AES ALAMITOS, LLC	LONG BEACH	TURBINE ENGINE - NATURAL GAS/OIL	18
AES ALAMITOS, LLC	LONG BEACH	TURBINE ENGINE - NATURAL GAS/OIL	18
AES ALAMITOS, LLC	LONG BEACH	TURBINE ENGINE - NATURAL GAS/OIL	18
AES HIGHGROVE, LLC. (FORMERLY RIVERSIDE CANAL)	GRAND TERRACE	BOILER UTILITY (>50 MW) BOILER #3	26
AES HIGHGROVE, LLC. (FORMERLY RIVERSIDE CANAL)	GRAND TERRACE	BOILER UTILITY (>50 MW) BOILER #4	26
AES HIGHGROVE, LLC. (FORMERLY RIVERSIDE CANAL)	GRAND TERRACE	BOILER UTILITY (>50 MW) BOILER #1	14
AES HIGHGROVE, LLC. (FORMERLY RIVERSIDE CANAL)	GRAND TERRACE	BOILER UTILITY (>50 MW) BOILER #2	14
AES HUNTINGTON BEACH, LLC	HUNTINGTON BEACH	TURBINE ENGINE - NATURAL GAS/OIL PEAKING	23
AES HUNTINGTON BEACH, LLC	HUNTINGTON BEACH	TURBINE ENGINE - NATURAL GAS/OIL	23
AES HUNTINGTON BEACH, LLC	HUNTINGTON BEACH	TURBINE ENGINE - NATURAL GAS/OIL	23
AES HUNTINGTON BEACH, LLC	HUNTINGTON BEACH	TURBINE ENGINE - NATURAL GAS/OIL	23
ANAHEIM MARRIOTT HOTEL	ANAHEIM	BOILER - NATURAL GAS	2
ANAHEIM MARRIOTT HOTEL	ANAHEIM	BOILER - NATURAL GAS	2
ANAHEIM MARRIOTT HOTEL	ANAHEIM	BOILER - NATURAL GAS	2
ANAHEIM MARRIOTT HOTEL	ANAHEIM	BOILER - NATURAL GAS	2
BLACK HILLS ONTARIO LLC	ONTARIO	TURBINE ENGINE (<=50 MW) NG/PG & DISTILL NUMBER 2	85
BLACK HILLS ONTARIO LLC	ONTARIO	TURBINE ENGINE (<=50 MW) NG/PG & DISTILL NUMBER 1	85
CANNERS STEAM CO	TERMINAL ISLAND	BOILER NAT GAS/ OIL FIRED	68
CANNERS STEAM CO	TERMINAL ISLAND	BOILER NAT GAS/ OIL FIRED	68
CANNERS STEAM CO	TERMINAL ISLAND	BOILER, NAT GAS-DIST PP	68
CBS INC	LOS ANGELES	BOILER - NATURAL GAS/OIL	7
CBS INC	LOS ANGELES	BOILER - NATURAL GAS/OIL	7
CDE RESOURCES, INC.	SAN BERNARDINO	ICE PORTABLE, NON-EMERGENCY	5
CDE RESOURCES, INC.	SAN BERNARDINO	ICE PORTABLE, NON-EMERGENCY	5
CDE RESOURCES, INC.	SAN BERNARDINO	ICE PORTABLE, NON-EMERGENCY	5
CDE RESOURCES, INC.	SAN BERNARDINO	ICE PORTABLE, NON-EMERGENCY	5
CDE RESOURCES, INC.	SAN BERNARDINO	ICE PORTABLE, NON-EMERGENCY	5
CDE RESOURCES, INC.	SAN BERNARDINO	ICE PORTABLE, NON-EMERGENCY	5

8

Company Name	Location	Equipment Description	Emission Credits (lb/year)
SEAGULL SANITATION	AVALON (CATALINA ISLAND)	INCINERATOR CONTINUOUS-FEED NON-HAZARD	13,870
SMURFIT-STONE CONTAINER ENTERPRISES	SANTA FE SPRINGS	BOILER - NATURAL GAS/LPG	19
SUNLAW COGENERATION PARTNERS I	VERNON	TURBINE ENGINE - NATURAL GAS	466
SUNLAW COGENERATION PARTNERS I	VERNON	TURBINE ENGINE - NATURAL GAS	433
TABC, INC	LONG BEACH	CURING OVEN	2
THE BOEING COMPANY	SEAL BEACH	EMERGENCY ICE - DIESEL FIRE PUMP	1
TREND OFFSET PRINTING SERVICES, INC	LOS ALAMITOS	AFTERBURNER	3
US POSTAL SERVICE, SANTA CLARITA CENTER	SANTA CLARITA	HEATER/FURNACE (5-20 MMBTU/HR) NAT GAS	12
Total			25,438
			25,346

40. Amend Rule 1143 - Consumer Paint Thinners and Multi-purpose Solvents

Naveen Berry, Planning and Rules Manager/VOC Rules, gave the staff presentation. An errata sheet containing modifications to Appendices E, F and G of the staff proposal, including additional language for paragraphs (d)(2) and (e)(2) of PAR 1143, was distributed to Board members and copies made available to the public.

In response to Supervisor Campbell's inquiry into past litigation, and the potential for future litigation, General Counsel Kurt Wiese responded that the District was ruled against in a past lawsuit because the judge found that there was a significant increase in flammability risk posed by the final limits in the regulation. This amendment includes labeling requirements that should avoid future complications, as well as an outreach program that the District has undertaken which includes a public service announcement. When CARB adopted a labeling requirement, the court acknowledged it as an important step to mitigating the flammability risk.

Mr. Berry responded to Supervisor Campbell's inquiry about the effective date of CARB's regulations, explaining that the 25 grams per liter (g/L) VOC limit becomes effective January 1, 2014, with an additional three year sell-through period.

In response to a question by Councilwoman Mitchell, Dr. Wallerstein confirmed that staff will bring information about the possible exemption for artist oils and products, and possibly a rule amendment, to the Board no later than the December 3, 2010, meeting.

Councilwoman Mitchell asked for staff's opinion on the reactivity-based control measure that CARB is exploring, versus the mass-based control measure that the District is using.

Mr. Berry clarified that the CARB regulation does not contain a reactivity-based component; they are simply assessing the possible issues associated with reactivity. Staff has been participating on various subcommittees at the national level that have been charged with analyzing the concerns and impacts of this measure.

Dr. Wallerstein added that while the concept has been well received, technology has not progressed enough where it could be done in a regulatory manner.

The public hearing was opened, and the following individuals addressed the Board on Agenda Item 40.

RYAN KENNY, Solvents Industry Group of American Chemistry Council

Explained his opposition to the proposed amendments for the following reasons: CARB already adopted VOC standards for consumer paint thinners and multipurpose solvents, and thus the District does not have the legal authority to promulgate a tier two standard for this category; duplicating CARB's efforts in this regard is a costly and unnecessary expenditure of resources; reactivity-based standards more effectively reduce the ozone forming potential of solvent based products while providing formulators with greater flexibility to produce products that meet performance and safety specifications; the District has not met its legal burden of demonstrating that its proposed regulations are commercially and technologically feasible; and the District's proposed tier two standard will likely lead to a formulation of products that pose higher fire risk for consumers than would a reactivity based approach, nor does the District proposal adequately mitigate these potential public safety risks through an implementation schedule that affords time for public education. He concluded that if the Board proceeds, they should adopt a three year phase-in period similar to CARB's implementation schedule, to allow sufficient time for a public education outreach program and for alternatives to be developed.

PAUL COTY, Soy Technologies

Expressed support for adoption of the Rule, as they are confident that there are technically feasible and economically viable solutions available.

DAVID DARLING, American Coatings Association

Explained their opposition to the Rule, even with the errata changes staff made, because there is a duplication of efforts since CARB has jurisdiction over, and already has, a rule for these products. They are concerned that the 25 g/L limit is not technologically feasible, and recommended waiting to impose it until CARB has a chance to complete its technology review. Expressed the belief that the rule will cause increased ozone formation and risk of fire and explosions; and encouraged staff to add the artist paint and branded solvents exemptions, to be consistent with the CARB regulation. (Submitted Written Comments)

STEVE BORTZ, Bortz Distributing

Noted that the natural evolution of coatings over the past 40 years has been to waterborne formulas, with only a small amount left that are flammable liquids, the safety of which is of little concern. He believes that this regulation will spread quickly across the State and across the nation, with no detriment to the quality of coatings.

MICHAEL HICKOK, W. M. Barr and Company, Inc.

Explained that W.M. Barr is one of the largest national suppliers of solvents and thinners and therefore, one of the major stakeholders affected by

Rule 1143. As indicated in Barr's written comments (errata sheet, Appendix F), there are serious legal deficiencies with the amendments to Rule 1143; the most significant of which is caused by how broad the new consumer paint thinner definition would become, which creates a major problem for manufacturers and retailers of what to do with a product regulated differently by CARB and the District. It also raises a serious State branching issue that puts not just these amendments, but the entire Rule, at risk of challenge in court. He believes the discrepancies could be resolved by reasonable revisions to the amendments if the Board were to defer action on this matter to its next scheduled meeting. In the alternative, he requested that, at the very least, the Board address the issue of the paint thinner definition; and provide a proposed definition that would cure the overlap of Rule 1143 with existing CARB categories. He also requested that the Board consider making dimethyl carbonate an exempt compound, as it has been exempted by MPPA and certain other states, and would provide a safe alternative to acetone.

Dr. Tisopulos responded that while staff did explore the recommendation by W. M. Barr, it will create a giant loophole that the Board is attempting to close through this amendment. He added that CARB has reviewed and offered their agreement with the proposed rule amendment.

Dr. Wallerstein added that through many conversations with W.M. Barr and counsel, they have been unable to reach common ground regarding the potential loophole, and additional time would not provide further benefit in these discussions.

STEVE BUNTING, Southern California Fire Prevention Officers Association

Explained that the three point solution that has been developed through discussions with staff, including public service announcements, point of sale brochures and an additional message on the can referring consumers to the warning message on the back of the can, will help to solve the safety concerns.

KATY WOLF, Institute for Research and Technical Assistance

Expressed her strong support for the Rule because it will reduce VOC emissions substantially, as well as reduce the toxicity of many of the materials that are currently used in paint and lacquer thinners.

There being no further public testimony on this item, the public hearing was closed.

Written Comments Submitted By:

Jill Perumean, California Fire Chiefs Association
Leslie Berry, American Chemistry Council

Councilwoman Mitchell was encouraged by the staff report finding that VOC emissions will be reduced by almost four tons a day, and the testimony of supporters who believe the Rule is technically feasible, will reduce toxicity of existing products, and will have an overall benefit to the entire Basin. She spoke to her concern regarding consistency with the CARB regulations, yet she is equally concerned with ensuring the District works toward reaching attainment.

At Supervisor Campbell's request, Dr. Wallerstein commented on why CARB chose to adopt a rule and timeline after the District had started their rulemaking process by offering that on past actions, once the AQMD Board has taken action and put a rule in place, CARB does not feel the need to be as stringent with their rule as they might have been otherwise.

In regards to Supervisor Campbell's inquiry regarding manufacturers having to comply with two different kinds of labeling requirements, Dr. Wallerstein replied that the menu of options that staff presented shows an option for the CARB labeling. Manufacturers will not be required to label differently to comply, unless they choose to do so.

Dr. Tisopulos clarified that the manufacturers would be subject to the requirements starting in January 2011, and if the manufacturer is producing products with flammable ingredients, they will be subject to identical labeling requirements.

Councilman Cacciotti asked staff to provide information on the effectiveness of soy- and water-based products compared to the traditional products.

Mr. Berry responded that, as the testimony indicated, many of the compliant products have been in use in facilities for over ten years. He added that the staff report included hundreds of products that are comprised of aqueous-, soy- or exempt-based products that have been in use successfully at facilities in the District for the past ten years.

MOVED BY CACCIOTTI, SECONDED BY LYOU,
AGENDA ITEM 40 APPROVED, ADOPTING
RESOLUTION NO. 10-21, CERTIFYING THE FINAL
SUPPLEMENTAL ENVIRONMENTAL
ASSESSMENT FOR PAR 1143 AND AMENDING
RULE 1143, AS RECOMMENDED BY STAFF, WITH
THE MODIFICATIONS TO SUBPARAGRAPHS (d)(2)
AND (e)(2) OF RULE 1143 AS SET FORTH IN THE
ERRATA SHEET AND NOTED BELOW, BY THE
FOLLOWING VOTE:

AYES: Antonovich, Ashley, Burke, Cacciotti, Campbell, Gonzales, Lyou, Mitchell, Perry, Pulido and Yates.

NOES: None.

ABSENT: Carney and Loveridge.

MODIFICATIONS:

Modify paragraph (d)(2) as follows:

(2) Sell-Through Provision

(A) Any consumer paint thinner or multi-purpose solvent that is manufactured prior to the implementation date, may be sold, supplied, offered for sale, or used for up to one year after the specified effective date.

(B) Consumer paint thinners and consumer multi-purpose solvents manufactured prior to (date of adoption) and labeled for more than one use including industrial maintenance coating thinning, may be sold, supplied, offered for sale, or used up to April 1, 2011.

Modify subparagraph (e)(2) as follows:

(G) Products that are manufactured on or before (date of adoption).

(G)None of the above labeling or notice requirements preclude the use of any additional labeling or notice for consumer education.

(Mayor Pulido left at 10:40 a.m.)

41. Amend Rule 1193 – Clean On-Road Residential and Commercial Refuse Collection Vehicles (***Continued from June 4, 2010 Board Meeting***)

Supervisor Ashley left the meeting after recusing himself from participating on Agenda Item No. 41 due to campaign contributions from various waste haulers.

Henry Hogo, Assistant DEO/Science and Technology Advancement, Mobile Source Division, gave the staff presentation. An errata sheet containing modifications to subparagraph (f)(3)(B) and paragraph (g)(4) of PAR 1193 was distributed to Board members and copies made available to the public.

Mayor Yates asked staff for clarification regarding the credits that Waste Management is seeking.

Mr. Hogo replied that through a comment letter, Waste Management requested that if a vehicle, such as a roll-off vehicle, is used in a strictly

commercial operation between private parties, that they obtain a credit for that alternative fuel vehicle. While this option has not been discussed in detail with stakeholders, staff believes that there are merits to this approach and the environmental community is interested in seeing how the District can approach cleaning up the smaller fleets that are not subject to the rule by possibly using a credit mechanism that would incentivize them for replacing their vehicles with alternative-fuel vehicles.

Mayor Yates expressed concern with the lack of fueling facilities in close proximity to many cities, which would require the vehicles to travel some distance to refuel, which would add more miles and be more costly. He proposed joint-use facilities so the municipalities could be serviced by this infrastructure along with Waste Management.

Mr. Hogo responded that the proposed amendments do provide for a temporary exemption for up to two years for the fleet to develop an alternative fuel station.

Dr. Wallerstein added that staff could present to the Technology Committee an overview of the existing fueling infrastructure and discuss how to continue to enhance that through the efforts of the Technology Advancement Office, which in the past, provided the grants to local government and others to help further expand fueling infrastructures.

Dr. Lyou proposed the following amendment to the Rule language to assist businesses with record-keeping compliance by adding information on back-up vehicle annual mileage, since there are limits on those totals:

Paragraph (h)(1):

- (1) The fleet operator shall provide at the request of the District any files and/or record created to comply with subdivisions (d) and (e) including fleet-specific information, such as a list of official DMV registrations, manufacturer, model-year, model, engine family number, fuel type, and fuel usage of each fleet vehicle, and backup vehicle annual mileage.

At Councilwoman Perry's request, Mr. Hogo confirmed that staff has reviewed Dr. Lyou's proposed amendment to the record-keeping requirement, and are not opposed to including it with the amendments.

Dr. Wallerstein added that staff had not discussed this addition with stakeholders at previous meetings, and that is why copies were made available for them if they wished to comment on any hardship it might create.

Councilwoman Mitchell expressed her concern with the portion of the Rule that requires 100 percent compliance by governmental agencies for any new contract with a private fleet operator for residential waste collection services, and was eager to hear public comment in that regard.

Supervisor Antonovich shared the positive benefits that arose from the County of Los Angeles initiating a clean fuels program for the bus fleet many years ago; and indicated that is why he would be proposing a reduction in the phase-in time.

In response to Supervisor Campbell, Mr. Hogo confirmed that the private contractors are being required to replace within the seven year cycle, while the public entities are only doing so when they need to replace a vehicle; therefore, there is a potential for those vehicles to be in use for a longer period of time.

Supervisor Campbell spoke to the issue of the replacement costs the waste haulers face and their limited ability to collect increased profits from cities to pay for such upgrades once they are locked into a contract. The seven-year phase-in is the least amount of time he believes is feasible so that there is not an undue financial burden for private contractors.

In regards to Supervisor Antonovich's question regarding private sector rebates, Mr. Hogo replied that the private sector entities have been applying for public funding and there are also tax credits available if they switch to clean fuel vehicles.

Councilman Cacciotti indicated that he would like to hear testimony from the various stakeholders regarding the length of the phase-in period, as well as the replacement deadline of January 1, 2020 and whether that should be advanced.

Mayor Pulido commented that as he has experienced in the City of Santa Ana, some companies are acknowledging the benefit of the more affordable natural gas fuel, and are converting their fleets to experience that long-term cost savings.

The public hearing was opened, and the following individuals addressed the Board on Agenda Item 41.

ROSALIE MULE, Waste Management

Expressed support for the Rule amendment and the five year phase-in plan, as well as the development of a credit system.

MARTIN SCHLAGETER, Coalition for Clean Air

Indicated their support for expediting the phase-in timeframe or the deadline date as suggested by Councilman Cacciotti in order to protect public health, as well as reward those in the industry who have already made strides to invest in clean fuel vehicles. (Submitted Written Comments)

HARVEY EDER, Public Solar Power Coalition

Expressed his support for an even stricter Rule amendment that would include hybrid-solar-electric and natural gas vehicles; and preferably solar-electric powered vehicles. Alerted the Board to the issue of buses that are sent to Mexico after they are no longer able to be used in the South Coast, and they keep operating and polluting there for many years.

Mr. Hogo clarified that the CARB low-carbon fuel standards regulation found that natural gas has a twenty percent benefit over diesel, while a biomass fuel could have up to an eighty to ninety percent benefit relative to GHG. Staff estimated that this rule amendment will show close to 120,000 tons per year reduction in CO₂.

Dr. Burke commented on Mr. Eder's point regarding vehicles such as school buses being given to other countries, noting that life-saving equipment such as firefighting vehicles, are also sent to other countries which is vital to the maintenance of their public safety programs. He added that the Board has a responsibility to clean air on a larger scale, and therefore should take this into account when planning for future regulations that deal with vehicles that are more likely to be sent out of state once they are no longer able to be used in the South Coast Basin.

Councilman Cacciotti asked staff if there is hybrid, plug-in hybrid electric technology that can apply to waste hauling.

Mr. Hogo responded that there are applications of parallel and serial hydraulic-hybrid systems, which are currently being tested by Waste Management, and staff has been working with the hybrid manufacturers in regards to such systems.

ALEX SALGADO, Solid waste driver for Consolidated Republic Services

Urged the Board to move forward with implementing Rule 1193 without delay; explained that after working in the waste industry for 21 years, he is well aware of the negative impacts drivers face as a result of diesel trucks. Fortunately, his company has been making the switch to LNG vehicles, and he has been driving a cleaner truck for four years. As such, he is not sympathetic to companies who claim they cannot afford to, or are otherwise impeded from, replacing their trucks.

PAUL RYAN, Inland Empire Disposal Association

Spoke in support of the replacement vehicle provision which would require haulers to track the mileage of vehicles which is also in the CARB Solid Waste Collection Vehicle Rule. After working with staff, and agreeing to the 7-year implementation schedule, they are not supportive of making operators comply with a 5-year timeframe.

KELLY ASTOR, California Refuse Recycling Council

Expressed the importance of the 7-year implementation schedule compromise and they are adamantly opposed to a 5-year timeframe due to the financial implications. (Submitted Written Comments)

TIM CARMICHAEL, California Natural Gas Vehicle Coalition

Agreed with staff's recommendation, but proposed a shortened phase-in time noting that operators can receive federal tax credits and will realize long-term fuel savings. He also commented that they should have been planning financially for this change when the original Rule was adopted; and there is the necessary fueling infrastructure in place, with approximately 260 private and public natural gas stations in the Basin.

HILLARY GORDON, Zero Waste Committee, Angeles Chapter of Sierra Club

Expressed that the Committee advocates for a regional waste system that is sustainable, that maximizes air resources, as well as advocate a concept emphasizing reduce, reuse and recycling over disposal of waste. They support a five-year, or less, phase-in to mitigate the environmental and public health threats that diesel fuel presents.

RON HERRERA, Teamsters Local 396

Expressed support for the strongest and fastest implementation of Rule 1193 on behalf of thousands of waste workers in Southern California who are breathing diesel fumes each day as they perform their jobs. Studies have shown exposure to diesel pollutants creates an elevated risk of health problems such as lung cancer, and they want the Board to be aware of the cost of these pollutants to workers, neighborhoods and the environment.

LAUREN AHKIAM, Pacoima Beautiful

Expressed urgency for the implementation of this Rule without further delay in order to dramatically reduce the toxic air emissions and assist with creating a healthier environment for all communities in Southern California.

CHUCK HELGET, Republic Services

Expressed support for the proposed amendments and added that Republic Services has added hundreds of alternative fuel vehicles to their fleet this year, and is committed to have all of their fleet converted to alternative fuel vehicles within the next four to five years.

CHRIS FALL, Rent A-Bin

Expressed their agreement with Rule 1193 as it was originally implemented, but have concerns with amendments that have been proposed that would add their small fleet of trucks in with the governmental agency, which creates a financial difficulty for them when trying to compete where there are no set rates. Mr. Fall asked for clarification on paragraphs (c)(4) and (c)(7) because he fears being penalized for being in a non-exclusive franchise and not operating with a set rate schedule.

Mr. Hogo responded that staff is proposing for fleets of less than 15 to have a choice to either comply with the proposed amendments or to replace their vehicles with alternative fuel vehicles when they are ready to replace their vehicles. There is also an exemption for roll-off vehicles that would allow fleets to keep up to three diesel-powered vehicles.

PHIL BREault, Cal Disposal Company Inc.

Noted that the refuse trucks in Southern California are fairly clean diesel trucks, so the pollution reduction that comes with the conversion to natural gas vehicles is just a small reduction. He does not support a shorter phase-in period, because the supply of natural gas trucks from dealers is not in line with the demand. He clarified a previous comment that the conversion would be cost effective because of the fuel savings, and the new vehicle would only cost \$40,000, by explaining that would be for the engine only, while the cost to replace a diesel truck with an alternative fuel truck would be \$300,000.
(Submitted Written Comments)

RON SALDANA, Los Angeles County Disposal Association

Expressed concern for the small haulers who face an open and competitive marketplace with low rates, which leaves them with little resources to make the switch to alternative fuel vehicles in a short time period. The small haulers in Los Angeles County have not been able to take advantage of alternative fuel programs that exist to help defray the costs of purchasing new vehicles.

There being no further public testimony on this item, the public hearing was closed.

Written Comments Submitted By:

Martin Schlageter, Coalition for Clean Air in conjunction with 11 other organizations
Greg Good, LAANE

Greg Loughnane, Athens Services in conjunction with 6 other disposal companies

David Fahrion, California Refuse Recycling Council on behalf of 3 disposal associations

Mayor Betty Putnam, City of Santa Fe Springs

Kent Stoddard, Waste Management

Mark Klistoff, Waste & Recycling Services

Councilman Cacciotti questioned what the final compliance date would be for the five or seven-year timeline.

Mr. Hogo responded that the replacement is on an individual contract basis and would be triggered at the time of renewal of contract or the signing of a new contract; it is not from any specific date.

Supervisor Campbell brought up discrepancies in the testimony regarding the cost to replace vehicles and asked staff to clarify the costs.

Mr. Hogo responded that the \$50,000 figure relates to converting new trucks over from diesel to CNG. In regards to replacing the engine, there is a company that repowers or completely replaces the diesel-fueled engines with an average cost of \$100,000.

Dr. Wallerstein added that the witness was illustrating that the purchase of a new natural gas truck would cost \$300,000 and the \$50,000 is the increment above and beyond the cost of a new diesel truck at \$250,000.

Mr. Hogo explained that the District's funding has historically been to cover the incremental cost between the diesel engine and the alternative-fuel vehicle.

Supervisor Campbell asked for an industry representative to explain why companies would expend \$300,000 to purchase the new truck rather than repowering their current trucks at a cost of approximately \$100,000.

Chuck Tobin, Burrtec Waste, responded by comparing the purchase of a new alternative fuel truck or retrofit of an existing truck to the argument for purchasing a new car with all of its improvements and luxuries to keeping an aging car that requires costly maintenance and upkeep. Retrofits require changes to the engine, fuel tanks, and drive train at a cost of \$100,000 or more for a truck whose value has declined greatly do to age. In contrast, a new truck provides a number of safety improvements over the older truck which may push companies to decide to purchase a new vehicle and incur a \$300,000 expenditure. The cost associated with the accelerated deadline places a burden on small companies that do not have the same types of multiple income sources that many large companies do.

COUNCILMAN CACCIOTTI MOVED THE STAFF RECOMMENDATION, INCLUDING THE MODIFICATIONS SET FORTH IN THE ERRATA SHEET, WITH THE MODIFICATION TO ADVANCE THE TIME PERIOD, AS INDICATED BY SUPERVISOR ANTONOVICH, FROM SEVEN TO FIVE YEARS, AS WELL AS ADVANCE THE FINAL DATE FROM JANUARY 1, 2020 TO JANUARY 1, 2018, AND INCORPORATE THE MODIFICATIONS TO PARAGRAPH (h)(1) PER BOARD MEMBER LYOU'S AMENDMENT.

Dr. Wallerstein asked for clarification on the motion, indicating that staff's original proposal was 5 years, with the possibility of two one-year extensions; the current proposal is a fixed 7-year phase-in. The testimony given was in support of a fixed 5-year phase-in, without the two extensions; and, to the extent that the Board wants to go to a strict 5-year without the extensions, staff recommended carrying the item over to the September 10, 2010 Board meeting so that item could be noticed specifically stating the proposal, because any significant deviation from what was noticed could prejudice those who would have come to testify in regards to a more stringent proposal.

General Counsel Kurt Wiese added that the Board can make changes the day of a meeting, provided they do not substantially change the meaning of the rule or increase the stringency of the regulation. Otherwise, to avoid potential litigation, staff would have to complete another 30-day notice.

In response to Supervisor Campbell's inquiry about the rationale for the 2020 end date, Henry Hogo explained that the industry was in agreement that they could be at one-hundred percent compliance by 2020.

Supervisor Gonzales announced that in an effort to respect the negotiation and collaboration that has been reached with the industry thus far, the Board should vote on the original proposal.

SUPERVISOR GONZALES MADE A SUBSTITUTE MOTION TO APPROVE STAFF'S RECOMMENDATION, INCLUDING THE MODIFICATIONS SET FORTH IN THE ERRATA SHEET, AND THE MODIFICATION TO PARAGRAPH (h)(1) SET FORTH IN DR. LYOU'S RECOMMENDED AMENDMENT. THE MOTION WAS SECONDED BY SUPERVISOR CAMPBELL, AND FAILED, FOR A LACK OF SEVEN CONCURRING VOTES, AS FOLLOWS:

AYES: Campbell, Gonzales, Mitchell, Perry and Yates.

NOES: Antonovich, Cacciotti, and Lyou.

ABSENT: Ashley, Carney, Loveridge, and Pulido.

**Note: There was no vote recorded by the voting machine for Chairman Burke on this motion.*

DR. BURKE MADE A SUBSTITUTE MOTION TO APPROVE THE FIVE-YEAR PHASE-IN WITH TWO ONE-YEAR EXTENSION OPTIONS AS PREVIOUSLY WRITTEN IN THE STAFF RECOMMENDATION AND NOTICED, INCLUDING THE MODIFICATIONS SET FORTH IN THE ERRATA SHEET, AND DR. LYOU'S RECOMMENDED AMENDMENT. THE MOTION WAS SECONDED BY SUPERVISOR ANTONOVICH.

At Councilwoman Mitchell's request, Mr. Hogo confirmed that the 5-year proposal and the two 1-year extensions would be for fleets that have converted to more alternative fuel vehicles than the minimum requirements of the contract phase-in. At the time staff presented the original proposal to the LA County Disposal Association, they were in support of it in regards to small haulers.

Supervisor Campbell suggested the maker of the motion amend the motion to indicate that the Board give the Executive Officer the authority to extend an additional two 1-year extensions for small haulers who request such accommodations. Mr. Hogo clarified that the existing rule defines small haulers as those with fifty (50) or less trucks.

With the agreement of the maker and the seconder, the substitute motion to approve was amended to read as follows:

MOVED BY BURKE, SECONDED BY ANTONOVICH, AGENDA ITEM 41 APPROVED, ADOPTING RESOLUTION NO. 10-22 CERTIFYING THE FINAL SUBSEQUENT ENVIRONMENTAL ASSESSMENT, AND AMENDING RULE 1193 AS RECOMMENDED BY STAFF, WITH THE MODIFICATIONS TO SUBPARAGRAPH (f)(3)(B) AND PARAGRAPH (g)(4) AS SET FORTH IN THE ERRATA SHEET AND NOTED BELOW, THE MODIFICATIONS TO SUBPARAGRAPH (d)(4)(A) AND PARAGRAPH (f)(4) BY BOARD MOTION TO APPROVE THE 5-YEAR PHASE-IN WITH TWO 1-YEAR EXTENSION OPTIONS AS NOTED BELOW, THE MODIFICATIONS TO PARAGRAPH (h)(1) AS

PROPOSED BY BOARD MEMBER LYOU AND NOTED BELOW, AND THE MODIFICATION TO INCLUDE IN RULE 1193 A PROVISION ALLOWING SMALL PRIVATE REFUSE FLEET OPERATORS (WITH LESS THEN 50 REFUSE VEHICLES) UP TO TWO 1-YEAR EXTENSIONS TO COMPLY WITH THE RULE REQUIREMENTS IF THE OPERATOR DEMONSTRATES AN ECONOMIC HARDSHIP, BY THE FOLLOWING VOTE:

AYES: Antonovich, Burke, Cacciotti, Campbell, Gonzales, Lyou, Perry and Yates.

NOES: Mitchell.

ABSENT: Ashley, Carney, Loveridge, and Pulido.

ERRATA SHEET MODIFICATIONS:

Revise PAR 1193 Subparagraph (f)(3)(B) as follows:

- (B) dedicated vehicles are used to routinely transport solid waste in into and out of the District.

Revise PAR 1193 Paragraph (g)(4) as follows:

- (4) Notwithstanding the provisions of paragraph (d)(3) and prior to January 1, 2020, if a private solid waste collection fleet operator acquires the entire ~~solid waste collection vehicle fleet~~ vehicles for one or more service segments (such as residential recycling, residential garbage, commercial recycling or commercial garbage) from a public solid waste collection fleet operator and contracts with ~~that~~ public solid waste ~~collection fleet~~ operator for ~~residential solid waste~~ those collection services, the private solid waste collection fleet operator may elect to comply with the provisions of paragraph (d)(4).

BOARD MOTION MODIFICATIONS:

Revise PAR 1193 Subparagraph (d)(4)(A) as follows:

- (A) 100 percent use of alternative-fuel or pilot ignition solid waste collection vehicles, rolloff vehicles, or transfer vehicles:
- (i) no later than ~~four~~ five (4~~5~~) years from the date of contract service, and

- (ii) placing a minimum number of alternative fuel vehicles into service in accordance to the following schedule:

Minimum Percentage	Deadline
25 20%	1 year after initial service
50 40%	2 years after initial service
75 60%	3 years after initial service
80%	4 years after initial service
100%	4 5 years after initial service

Revise PAR 1193 to Add Paragraph (f)(4) as follows:

- (4) If a private solid waste collection fleet operator complying with the provisions of subparagraph (d)(4)(A) demonstrates that within the fleet's total refuse vehicle count as provided in subparagraph (d)(4)(A), there is a sufficient number of alternative-fueled or pilot ignition refuse vehicles that meet or exceeds the minimum requirements in each year of the phase-in, the private solid waste collection fleet operator may request a TICR to extend compliance of the phase-in by one year.
- (A) Up to two (2) one-year extensions may be granted under this request. The second request for a one-year extension shall be based on the requirements of the applicable year from the date of execution of the new contract or contract renewal.
- (B) All vehicle purchases shall meet the provisions of paragraphs (d)(1) or (d)(2).
- (C) The fleet must demonstrate full compliance by the end of the extended phase-in period by submitting a new or revised compliance report as required under subparagraph (d)(7).

BOARD MEMBER LYOU'S MODIFICATION:

Revise Paragraph (h)(1):

- (1) The fleet operator shall provide at the request of the District any files and/or record created to comply with subdivisions (d) and (e) including fleet-specific information, such as a list of official DMV registrations, manufacturer, model-year, model, engine family number, fuel type, and fuel usage of each fleet vehicle, and backup vehicle annual mileage.

Note: Staff has drafted language to implement the remainder of the motion adopted by the Board relative to small refuse haulers, which is being submitted in another Board letter.

42. Amend Rule 1144 - Vanishing Oils and Rust Inhibitors
(Continued from June 4, 2010 Board Meeting)

Staff waived the oral presentation on this Item. An errata sheet containing modifications to subdivision (h) and subparagraph (h)(1)(A) of PAR1144 was distributed to Board members and copies made available to the public.

In response to Mayor Yates' inquiry, Naveen Berry confirmed that the changes proposed in the errata sheet were the result of staff's efforts to work with stakeholders.

The public hearing was opened, and the following individuals addressed the Board on Agenda Item 42.

TOM MANZO and BOB DAY, Timely Industries

Explained that as a local manufacturer of pre-finished steel door frames their concern with the proposed amended rule is that despite working with staff and spending well over \$100,000 trying to find a solution to carry them from the change in 2009 through 2012, they still do not have a viable solution. The steel door frames are not galvanized; therefore, water-soluble solutions are not an option. The vegetable oil solution leave a residue on the pre-finished product that they produce and would create a financial burden because of the required equipment, including misters and scrubbers, which would also increase the complexity of the manufacturing process. They are concerned that the increased cost paired with a recent drop in sales will be an insurmountable financial burden. (Submitted Written Comments)

Dr. Tisopulos commented that the limit adopted last year is what is being referred to by Timely Industries, but staff is committed to working with them and making them aware of alternative products.

Dr. Lyou commented that he was impressed with the efforts and expenditures that Timely Industries made in trying to find appropriate alternatives as outlined in their comment letter, and urged them to meet with staff after the meeting.

PAUL FREDERICK, American Research Products

Expressed that they have cost-effective alternatives for businesses that are opposed to the Rule; and stressed that super-compliant technology is currently available, contrary to some of the testimony and comments.

There being no further public testimony on this item, the public hearing was closed.

Written Comments Submitted By:

Thomas Downs, W.S. Dodge Oil Co, Inc. (2)

Celeste Powers, Independent Lubricant Manufacturers Association (2)

Dan Hankla, Alger Mfg. LLC

Miles Free, Precision Machined Products Association

MOVED BY YATES, SECONDED BY GONZALES, AGENDA ITEM 42 APPROVED, ADOPTING RESOLUTION NO. 10-23, CERTIFYING THE CEQA FINAL ENVIRONMENTAL ASSESSMENT FOR PAR, AND AMENDING RULE 1144, AS RECOMMENDED BY STAFF, WITH THE MODIFICATIONS SET FORTH IN THE ERRATA SHEET AND NOTED BELOW, BY THE FOLLOWING VOTE:

AYES: Antonovich, Ashley, Burke, Cacciotti, Campbell, Gonzales, Lyou, Mitchell, Perry and Yates.

NOES: None.

ABSENT: Carney, Loveridge, and Pulido.

MODIFICATIONS:

Modify subdivision (h) – Test Methods and Procedures as follows:

- (h) The following test methods and procedures shall be used to determine compliance with this rule. Other applicable test methods may be used if they are determined to be equivalent and approved in writing by the Executive Officer, the California Air Resources Board and the U.S. Environmental Protection Agency. **When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of this rule. Notwithstanding the foregoing, compliance with either VOC content test method listed in paragraph (h)(1) shall demonstrate compliance with this rule.**

Modify subparagraph (h)(1)(A) as follows:

- (h)(1)(A) Option 1; ASTM E 1868 - 10 Standard Test Method for Loss-On-Drying by Thermogravimetry. Quality assurance and quality control procedures shall be conducted using SCAQMD Additional Requirements to ASTM Standard Test Method E 1868-10 for

Metalworking Fluids and Direct-Contact
Lubricants; or SCAQMD Method 319-10
Determination of Volatile Organic
Compounds (VOC) in Metalworking Fluids
and Lubricants by Thermogravimetry.

OTHER BUSINESS

43. Approve One-year Labor Contract with SCAQMD Professional Employees Association

MOVED BY YATES, SECONDED BY CACCIOTTI,
AGENDA ITEM 43 APPROVED AS
RECOMMENDED BY STAFF,

- 1) AUTHORIZING THE EXECUTIVE OFFICER TO SIGN THE RATIFIED ONE-YEAR MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN AQMD AND SCAQMD PROFESSIONAL EMPLOYEES ASSOCIATION (SC-PEA), COVERING EMPLOYEES IN THE PROFESSIONAL BARGAINING UNIT.
- 2) APPROPRIATING \$646,000 FROM THE UNDESIGNATED FUND BALANCE TO THE FY 2010-11 BUDGET, SALARIES AND EMPLOYEE BENEFITS MAJOR OBJECT.

BY THE FOLLOWING VOTE:

AYES: Antonovich, Ashley, Burke, Cacciotti,
Campbell, Gonzales, Lyou, Mitchell,
Perry and Yates.

NOES: None.

ABSENT: Carney, Loveridge, and Pulido.

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

BILL LAMARR, Small Business Alliance

Waived his comments regarding the status of Rule 317 and the Section 185 Non-attainment Fees, because he received information prior to the meeting that progress is being made in that regard.

HARVEY EDER, Public Solar Power Coalition

Urged the Board to develop a 10-year solar power conversion plan without delay.

CLOSED SESSION

The Board recessed to closed session at 12:40 p.m., pursuant to Government Code section 54956.9(a) to confer with its counsel regarding pending litigation which has been initiated formally and to which the District is a party, as follows:

- NRDC, et al. v. SCAQMD, et al., Los Angeles Superior Court Case Nos. BS105728 and BS110792;
- NRDC, et al. v. SCAQMD, et al., U.S. District Court Case No. CV08-05403 GW (PLAx);
- CCAT, et al. v. State of California; SCAQMD, et al., Los Angeles Superior Court Case No. BS124264;

In addition, the Board recessed to closed session under Government Code section 54956.9(c) to consider initiation of litigation (three cases).

Following closed session, General Counsel Kurt Wiese announced that a report of actions taken in closed session will be available in the Clerk of the Boards office.

ADJOURNMENT

There being no further business, the meeting was adjourned by General Counsel Kurt Wiese at 1:15 p.m.

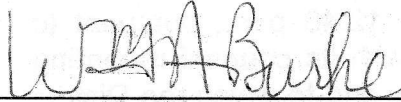
The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on July 9, 2010.

Respectfully Submitted,



Denise Pupo
Senior Deputy Clerk

Date Minutes Approved: Sept. 10, 2010



Dr. William A. Burke, Chairman

ACRONYMS

CARB = California Air Resources Board
CEQA = California Environmental Quality Act
CNG = Compressed Natural Gas
CO₂ = Carbon Dioxide
EIR = Environmental Impact Report
FY = Fiscal Year
GHG = Greenhouse Gas
LNG = Liquefied Natural Gas
MSRC = Mobile Source (Air Pollution Reduction) Review Committee
NATTS = National Air Toxics Trends Stations
NO_x = Oxides of Nitrogen
PAMS = Photochemical Assessment Monitoring Stations
PAR = Proposed Amended Rule
RFP = Request for Proposals
RFQ = Request for Quotations
SIP = State Implementation Plan
U.S. EPA = United States Environmental Protection Agency
VOC = Volatile Organic Compound